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SUBJECT: RELOCATIONS HURT HILL TRIBE AGRICULTURAL ECONOMY,

SUSTAINABILITY

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Sensitive but Unclassified; Please handle accordingly.

Summary

11. (SBU) Agriculturally-dependent hill tribe or highland people in northern Thailand have become economically strained by forest conservation and drug control policies adopted by the Thai government in the last several decades. These policies have had success in conservation and counternarcotics efforts, but in part by restricting land used for highland crops and relocating selected hill tribe villages to largely uncultivable lowlands. Officials say relocations rarely occur nowadays, but NGOs contend that up to 2,000 people have been moved since 2005 (out of a total hill tribe population of about 900,000 persons). As a result, some hill tribe communities that were once self-sufficient can no longer subsist on what they produce. response, agriculturally-dependent highland people are turning toward economic alternatives in urban areas to compensate for lower crop yields, seek additional sources of income, and meet the rising costs of modern commodities and other expenses. End Summary.

Relocation of Highland People Still Occurring

 $\P 2$. (SBU) When forest conservation and drug control became major domestic priorities and matters of

national security in the late 1980s, Thai government agencies targeted highland villages through relocation initiatives and land control policies that restricted the growth of hill tribe communities. Efforts to preserve forest regions and to dissolve drug trade networks - which have met with some success - have largely come at the expense of hill tribe people, who have lived in Thailand's forest areas for decades and have developed a dependency on highland agriculture.

13. (SBU) Representatives of the Office of Narcotics Control

Board and the Ministry of Natural Resources and Environment say that though land control policies still exist to prevent encroachment onto protected lands, they independently halted their own relocation policies in 1988 and 1998, respectively. They contend that resettlement rarely occurs nowadays, and only if the village being relocated is a threat to national security. For example, narcotics officials allege that 300 hill tribe communities are currently involved with narcotics cultivation and that 1,000 are involved with smuggling.

 $\underline{\P}4$. (SBU) But NGOs (such as the Center for Redressing Problems for Highlanders and the Northern Development Foundation) and hill tribe community leaders contend that relocations are still occurring more often than officials admit. They are also concerned that sometimes an entire community is relocated though only a few of its members are involved in illegal activities. The Center for Redressing Problems for Highlanders estimates that almost 2,000 highland people have been relocated since 2005 (out of a total hill tribe population of about 900,000 persons). According to National Security Council records, in 2006 there were 1,115 hill tribe villages that were still considered illegal occupants in protected areas. NGOs assert that these villages have been and still are susceptible to relocation. Forest officials approved a plan this year to expand forest land by 128 million rai (51.2 million acres), a move which will likely affect the villages classified as illegal settlements. Without any deeds or papers claiming official ownership over their land, hill tribe people would have no choice but to relocate if required by officials.

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Land Control Heightens Highland Food Insecurities

- 15. (SBU) In a 1998 forest conservation move, forest officials designated boundaries for national park and conservation areas that would be prohibited from encroachment, land clearings and agricultural use. This policy had a significant impact on agriculturally-dependent highland tribes by limiting the expansion of crop areas and reducing the amount of land available for cultivation. In affected Karen tribes in the north, the number of land plots informally owned by each family was reduced from seven to one or two. As a result, food stability for these groups was endangered, necessitating a change in their agricultural production techniques.
- 16. (SBU) Tribes that had previously practiced crop rotation and subsistence farming were forced to change to intensive and commercial-led farming. But it has proven difficult for highlanders to adjust, since intensive farming leaves a poorer soil quality and has a higher initial cost for fertilizers and pesticides. Moreover, because highland people do not have titles or deeds formalizing their property rights, they have no means of attaining a loan to invest in factors of production to regenerate poor soil. Additionally, while highlanders had previously grown crops to eat, they now had to grow to sell to compensate for lower crop yields and reduced income from land reductions and to find funds to support intensive agriculture. Hill tribe people are also turning toward other economic alternatives, particularly in the city, as sources of income to provide for food and help sustain their lifestyle.

Hill Tribe Villages Relocated to Infertile Lowlands

- 17. (SBU) Other relocation schemes over the years have transferred thousands of hill tribe people from fertile highland areas to depleted, uncultivable lowlands, and without financial compensation. Though officials say relocation efforts have rarely occurred in recent years, NGOs point to cases suggesting otherwise. Since 2006, resettlements cited by NGOs include villages in four districts of Chiang Mai province (Phrao, Wiang Haeng, Chiang Dao, and Mae Wang). Additionally, in 2005 officials in Lampang province moved a Lahu village that had been living in the same area for 30 years. Narcotics officials asserted that its residents were acting as middlemen in a Chiang Rai-Lampang drug route, though ultimately only two people were found to have been involved in narcotics smuggling. Officials say that drug charges were only one of several reasons for the resettlement, with illegal forest encroachment being another. Officials admit, however, to sometimes relocating a community based on charges that really only apply to a few of its members.
- 18. (SBU) While each family should receive about 20 rai (8 acres) to maintain subsistence living, community hill tribe leaders estimate that on average relocated persons are given 10 rai (4 acres), with only 2 rai (.8 acres) that are usable. With a limited amount of fertile soil, these villages were forced to change their agricultural lifestyle shifting from crop rotation and subsistence farming to intensive and commercial and to find additional sources of income, particularly in the city.

Relocation with Responsibility

19. (SBU) Some relocation efforts are also occurring under the umbrella of the Queen's Initiative Projects, the overall aim of which is to conserve forest areas while promoting responsible agricultural development. With seven of these projects currently underway, selected villages have been moved from their

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original locations in the forest and given new land, with residents having the opportunity to be employed as contract farmers in crop fields overseen by the project. Advocates of the project say it provides appropriate compensation while still conserving forests; others assert that families are not given enough land (4 rai, or 1.6 acres) and that not everyone is given employment. On balance, NGOs commend efforts, such as the King's Royal Projects and the late Queen Mother-sponsored Mae Fah Luang Foundation, that seek to alter highland economic reliance on narcotic crops and logging, thereby making highlanders less susceptible to relocation. (Note: in 2003 the Mae Fah Luang Foundation was formally recognized by the UN Office of Drugs and Crime for its exceptional contribution to sustainable alternative development to eradicate opium and provide alternative livelihoods in the Golden Triangle).

110. (SBU) With farming income falling, highlanders are turning to economic alternatives in the city to make up for a loss in sustainability. There is also added pressure to earn more money because of increased expenses for education - such as the costs of travel from remote villages, lunches and uniforms - and the cost of modern appliances like television sets and DVD players. According to the Northern Development Foundation, the most common urban jobs for hill tribe members are as restaurants and karaoke bar workers, street vendors, construction workers, gas station attendants and domestic laborers. Others engage in the sex industry and drug trade for income. In 2003, the Institute of Ethnic Studies at Rajabhat University Chiang Rai studied the economic effects of resettlement on the Baan Wang Mai village in Lampang, which was relocated in 1995. Initially, to compensate for a drop in income, members first found work as contract farmers, but found wages to be too low and subsequently moved into the city. Of those who moved outside the village, 61% worked as day laborers while 27% sold tofu drinks. The same study also found rising numbers of female villagers turning to the sex industry.

111. (SBU) By migrating to the city, highlanders - especially those without legal residence or citizenship status - are more at risk to develop health problems or be recruited into the sex trade. Undocumented hill tribe members - who for certain reasons may not have citizenship - are more vulnerable at checkpoints on their way home from the city, with NGOs reporting cases of officials seizing their earnings. Also, some undocumented highlanders in need of additional income apply to become (non-Thai) migrant workers, though at the cost of forfeiting the possibility of attaining citizenship benefits they may be eligible for if born on Thai soil.

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112. (SBU) Agriculturally-dependent highland tribes are struggling with issues of sustainability. As land

limits become stricter and as hill tribe populations grow, highlanders encounter a resource problem causing migration to cities. This in turn leads many to look toward illegal outlets of income, feeding an already significant drug problem and placing more individuals at risk for exploitation by human trafficking networks or other opportunistic criminals.

 $\underline{\mathbb{1}}$ 13. (U) This cable was coordinated with Embassy Bangkok. MORROW